

00618

**MASTER OF BUSINESS  
ADMINISTRATION (RETAIL)  
(MBARS)**

**Term-End Examination**

**December, 2011**

**MRS-005 : MANAGERIAL ECONOMICS**

*Time : 3 hours*

*Maximum Marks : 100*

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*Note : Answer any five questions. All questions carry equal marks.*

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1. Distinguish between macro - economics and micro - economics. How is macro - economics useful in managerial decision-making ? 20
  
2. (a) Explain the nature of capital budgeting problems in a business enterprises. 10x2=20  
(b) How do you understand the concept of business income?
  
3. What do you mean by cross elasticity and income elasticity of demand ? Explain the importance of these two concepts in managerial economics. 8, 8, 4
  
4. What is monopoly ? State the factors which give rise to monopoly. Also distinguish between monopoly and monopsony with suitable examples. 20

5. State the salient features of LAC curves and discuss its usefulness in managerial decision making. Why is it known as planning curve ? 20
6. (a) Explain the concept of "Law of Diminishing marginal returns". 20  
(b) What methods do businessman employ in setting prices ?
7. Write short notes on : 5x4=20  
(a) Special Economic Zones (SEZs)  
(b) Current account convertibility  
(c) Fiscal policy  
(d) Balance of payments
8. Explain the concepts of National Income. What are the methods of measuring National Income in India ? 20
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